

**AMENDMENT TO RULES COMMITTEE PRINT 116-**

**57**

**OFFERED BY MS. MATSUI OF CALIFORNIA**

Page 163, after line 8, insert the following new sub-sections:

1 (d) **ADVANCED MANUFACTURING INCENTIVES.**—

2 (1) **IN GENERAL.**—The Secretary of Defense  
3 shall, in consultation with the Secretary of Com-  
4 merce, the Secretary of Homeland Security, and the  
5 Director of National Intelligence, work with the pri-  
6 vate sector through a public-private partnership, in-  
7 cluding by incentivizing the formation of a consor-  
8 tium of United States companies, to ensure the de-  
9 velopment and production of advanced, measurably  
10 secure microelectronics. Such work may include pro-  
11 viding incentives for the creation, expansion, or mod-  
12 ernization of one or more commercially competitive  
13 and sustainable semiconductors manufacturing or  
14 advanced research and development facilities.

15 (2) **RISK MITIGATION REQUIREMENTS.**—A par-  
16 ticipant in a consortium formed with incentives  
17 under paragraph (1) shall—

1 (A) have the potential to perform fabrica-  
2 tion, assembly, package, or test functions for  
3 semiconductors deemed critical to national secu-  
4 rity as defined by export control regulatory  
5 agencies in consultation with the National Secu-  
6 rity Adviser and the Secretary of Defense;

7 (B) demonstrate management processes to  
8 identify and mitigate supply chain security  
9 risks; and

10 (C) be able to produce semiconductors con-  
11 sistent with applicable measurably secure sup-  
12 ply chain and operational security standards es-  
13 tablished under section 224(b) of the National  
14 Defense Authorization Act for Fiscal Year 2020  
15 (Public Law 116–92).

16 (3) NATIONAL SECURITY CONSIDERATIONS.—  
17 The Secretary of Defense and the Director of Na-  
18 tional Intelligence shall select participants for the  
19 consortium formed with incentives under paragraph  
20 (1). In selecting such participants, the Secretary and  
21 the Director may jointly consider whether the  
22 United States companies—

23 (A) have participated in previous programs  
24 and projects of the Department of Defense, De-

1           partment of Energy, or the intelligence commu-  
2           nity, including—

3                   (i) the Trusted Integrated Circuit pro-  
4                   gram of the Intelligence Advanced Re-  
5                   search Projects Activity;

6                   (ii) trusted and assured semiconduc-  
7                   tors projects, as administered by the De-  
8                   partment of Defense;

9                   (iii) the Electronics Resurgence Initia-  
10                  tive (ERI) program of the Defense Ad-  
11                  vanced Research Projects Agency; or

12                  (iv) relevant semiconductor research  
13                  programs of Advanced Research Projects  
14                  Agency–Energy;

15           (B) have demonstrated an ongoing com-  
16           mitment to performing contracts for the De-  
17           partment of Defense and the intelligence com-  
18           munity;

19           (C) are approved by the Defense Counter-  
20           intelligence and Security Agency or the Office  
21           of the Director of National Intelligence as pre-  
22           senting an acceptable security risk, taking into  
23           account supply chain assurance vulnerabilities,  
24           counterintelligence risks, and any risks pre-

1           sented by companies whose owners are located  
2           outside the United States; and

3           (D) are evaluated periodically for foreign  
4           ownership, control, or influence by foreign enti-  
5           ties of concern.

6           (4) NONTRADITIONAL DEFENSE CONTRACTORS  
7           AND COMMERCIAL ENTITIES.—Arrangements en-  
8           tered into to carry out paragraph (1) shall be in  
9           such form as the Secretary of Defense determines  
10          appropriate to encourage industry participation of  
11          nontraditional defense contractors or commercial en-  
12          tities and may include a contract, a grant, a cooper-  
13          ative agreement, a commercial agreement, the use of  
14          other transaction authority under section 2371 of  
15          title 10, United States Code, or another such ar-  
16          rangement.

17          (5) DISCHARGE.—The Secretary of Defense  
18          shall carry out paragraph (1) jointly through the Of-  
19          fice of the Under Secretary of Defense for Research  
20          and Engineering and the Office of the Under Sec-  
21          retary of Defense for Acquisition and Sustainment,  
22          or such other component of the Department of De-  
23          fense as the Secretary considers appropriate.

24          (6) OTHER INITIATIVES.—The Secretary of De-  
25          fense shall dedicate initiatives within the Depart-

1       ment of Defense to advance radio frequency, mixed  
2       signal, radiation tolerant, and radiation hardened  
3       semiconductors that support national security and  
4       dual-use applications.

5           (7) REPORTS.—

6           (A) REPORT BY SECRETARY OF DE-  
7       FENSE.—Not later than 90 days after the date  
8       of the enactment of this Act, the Secretary of  
9       Defense shall submit to Congress a report on  
10      the plans of the Secretary to carry out para-  
11      graph (1).

12          (B) BIENNIAL REPORTS BY COMPTROLLER  
13      GENERAL OF THE UNITED STATES.—Not later  
14      than 1 year after the date on which the Sec-  
15      retary submits the report required by subpara-  
16      graph (A) and not less frequently than once  
17      every 2 years thereafter for a period of 10  
18      years, the Comptroller General of the United  
19      States shall submit to Congress a report on the  
20      activities carried out under this subsection.

21          (e) DEFENSE PRODUCTION ACT OF 1950 EF-  
22      FORTS.—

23          (1) IN GENERAL.—Not later than 120 days  
24      after the date of the enactment of this Act, the  
25      President shall submit to Congress a report on a

1 plan for use by the Department of Defense of au-  
2 thorities available in title III of the Defense Produc-  
3 tion Act of 1950 (50 U.S.C. 4531 et seq.) to estab-  
4 lish and enhance a domestic production capability  
5 for microelectronic technologies and related tech-  
6 nologies, subject to the availability of appropriations  
7 for that purpose.

8 (2) CONSULTATION.—The President shall de-  
9 velop the plan required by paragraph (1) in coordi-  
10 nation with the Secretary of Defense, and in con-  
11 sultation with the Secretary of State, the Secretary  
12 of Commerce, and appropriate stakeholders in the  
13 private sector.

Add at the end of title XVII the following new sub-  
title:

14 **Subtitle F—Semiconductor**  
15 **Manufacturing Incentives**

16 **SEC. 17\_. SEMICONDUCTOR INCENTIVE GRANTS.**

17 (a) DEFINITIONS.—In this section—

18 (1) the term “appropriate committees of Con-  
19 gress” means—

20 (A) the Select Committee on Intelligence,  
21 the Committee on Commerce, Science, and  
22 Transportation, the Committee on Foreign Re-  
23 lations, the Committee on Armed Services, the

1           Committee on Appropriations, the Committee  
2           on Banking, Housing, and Urban Affairs, and  
3           the Committee on Homeland Security and Gov-  
4           ernmental Affairs of the Senate; and

5           (B) the Permanent Select Committee on  
6           Intelligence, the Committee on Energy and  
7           Commerce, the Committee on Foreign Affairs,  
8           the Committee on Armed Services, the Com-  
9           mittee on Science, Space, and Technology, the  
10          Committee on Appropriations, the Committee  
11          on Financial Services, and the Committee on  
12          Homeland Security of the House of Representa-  
13          tives;

14          (2) the term “covered entity” means a private  
15          entity, a consortium of private entities, or a consor-  
16          tium of public and private entities with a dem-  
17          onstrated ability to construct, expand, or modernize  
18          a facility relating to the fabrication, assembly, test-  
19          ing, advanced packaging, or advanced research and  
20          development of semiconductors;

21          (3) the term “covered incentive”—

22                 (A) means an incentive offered by a gov-  
23                 ernmental entity to a covered entity for the pur-  
24                 poses of constructing within the jurisdiction of  
25                 the governmental entity, or expanding or mod-

1 ernizing an existing facility within that jurisdic-  
2 tion, a facility described in paragraph (2); and

3 (B) includes any tax incentive (such as an  
4 incentive or reduction with respect to employ-  
5 ment or payroll taxes or a tax abatement with  
6 respect to personal or real property), a work-  
7 force-related incentive (including a grant agree-  
8 ment relating to workforce training or voca-  
9 tional education), any concession with respect  
10 to real property, funding for research and devel-  
11 opment with respect to semiconductors, and any  
12 other incentive determined appropriate by the  
13 Secretary, in consultation with the Secretary of  
14 State;

15 (4) the term “governmental entity” means a  
16 State or local government;

17 (5) the term “Secretary” means the Secretary  
18 of Commerce; and

19 (6) the term “semiconductor” has the meaning  
20 given the term by the Secretary.

21 (b) GRANT PROGRAM.—

22 (1) IN GENERAL.—The Secretary shall establish  
23 in the Department of Commerce a program that, in  
24 accordance with the requirements of this section,  
25 provides grants to covered entities.

1 (2) PROCEDURE.—

2 (A) IN GENERAL.—A covered entity shall  
3 submit to the Secretary an application that de-  
4 scribes the project for which the covered entity  
5 is seeking a grant under this section.

6 (B) ELIGIBILITY.—In order for a covered  
7 entity to qualify for a grant under this section,  
8 the covered entity shall demonstrate to the Sec-  
9 retary, in the application submitted by the cov-  
10 ered entity under subparagraph (A), that—

11 (i) the covered entity has a docu-  
12 mented interest in constructing, expanding,  
13 or modernizing a facility described in sub-  
14 section (a)(2); and

15 (ii) with respect to the project de-  
16 scribed in clause (i), the covered entity  
17 has—

18 (I) been offered a covered incen-  
19 tive;

20 (II) made commitments to work-  
21 er and community investment, includ-  
22 ing through—

23 (aa) training and education  
24 benefits paid by the covered enti-  
25 ty; and

1 (bb) programs to expand  
2 employment opportunity for eco-  
3 nomically disadvantaged individ-  
4 uals; and

5 (III) secured commitments from  
6 regional educational and training enti-  
7 ties and institutions of higher edu-  
8 cation to provide workforce training,  
9 including programming for training  
10 and job placement of economically dis-  
11 advantaged individuals.

12 (C) CONSIDERATIONS FOR REVIEW.—With  
13 respect to the review by the Secretary of an ap-  
14 plication submitted by a covered entity under  
15 subparagraph (A)—

16 (i) the Secretary may not approve the  
17 application unless the Secretary—

18 (I) confirms that the covered en-  
19 tity has satisfied the eligibility criteria  
20 under subparagraph (B); and

21 (II) determines that the project  
22 to which the application relates is in  
23 the interest of the United States; and

24 (ii) the Secretary may consider wheth-  
25 er—

1 (I) the covered entity has pre-  
2 viously received a grant made under  
3 this subsection; and

4 (II) the governmental entity of-  
5 fering the applicable covered incentive  
6 has benefitted from a grant previously  
7 made under this subsection.

8 (III) to the extent practicable,  
9 the covered entity is considered a  
10 small business concern, as defined  
11 under section 3 of the Small Business  
12 Act (15 U.S.C. 632), notwithstanding  
13 section 121.103 of title 13, Code of  
14 Federal Regulations.

15 (3) AMOUNT.—The Secretary shall not award  
16 more than \$3,000,000,000 to a covered entity under  
17 this subsection.

18 (4) USE OF FUNDS.—A covered entity that re-  
19 ceives a grant under this subsection may only use  
20 the grant amounts to—

21 (A) finance the construction, expansion, or  
22 modernization of a facility described in sub-  
23 section (a)(2), as documented in the application  
24 submitted by the covered entity under para-  
25 graph (2)(A), or for similar uses in state of

1 practice and legacy facilities, as determined  
2 necessary by the Secretary for purposes relating  
3 to the national security and economic competi-  
4 tiveness of the United States;

5 (B) support workforce development for the  
6 facility described in subparagraph (A); or

7 (C) support site development for the facil-  
8 ity described in subparagraph (A).

9 (5) CLAWBACK.—

10 (A) The Secretary shall recover the full  
11 amount with interest of a grant provided to a  
12 covered entity under this subsection if—

13 (i) as of the date that is 5 years after  
14 the date on which the Secretary makes the  
15 grant, the project to which the grant re-  
16 lates has not been completed, except that  
17 the Secretary may issue a waiver with re-  
18 spect to the requirement under this sub-  
19 paragraph if the Secretary determines that  
20 issuing such a waiver is appropriate and in  
21 the interests of the United States; or

22 (ii) during the applicable term with  
23 respect to the grant, the covered entity en-  
24 gages in any joint research or technology  
25 licensing effort—

1 (I) with the Government of the  
2 People's Republic of China, the Gov-  
3 ernment of the Russian Federation,  
4 the Government of Iran, the Govern-  
5 ment of North Korea, or other foreign  
6 entity of concern; and

7 (II) that relates to a sensitive  
8 technology or product, as determined  
9 by the Secretary; and

10 (B) the Secretary shall recover up to the  
11 full amount with interest of a grant provided to  
12 a covered entity if the Secretary determines  
13 that commitments required under paragraph  
14 (2) have not been fully implemented, except  
15 that the Secretary may issue a waiver with re-  
16 spect to the requirement under this subpara-  
17 graph if the Secretary determines that issuing  
18 such a waiver is appropriate and in the inter-  
19 ests of the United States.

20 (c) CONSULTATION AND COORDINATION RE-  
21 QUIRED.—In carrying out the program established under  
22 subsection (b), the Secretary shall consult and coordinate  
23 with the Secretary of State and the Secretary of Defense.

24 (d) INSPECTOR GENERAL REVIEWS.—The Inspector  
25 General of the Department of Commerce shall—

1           (1) not later than 2 years after the date of en-  
2           actment of this Act, and biennially thereafter until  
3           the date that is 10 years after that date of enact-  
4           ment, conduct a review of the program established  
5           under subsection (b), which shall include, at a min-  
6           imum—

7                   (A) a determination of the number of in-  
8                   stances in which grants were provided under  
9                   that subsection during the period covered by  
10                  the review in violation of a requirement of this  
11                  section;

12                  (B) an evaluation of how—

13                          (i) the program is being carried out,  
14                          including how recipients of grants are  
15                          being selected under the program; and

16                          (ii) other Federal programs are lever-  
17                          aged for manufacturing, research, and  
18                          training to complement the grants awarded  
19                          under the program; and

20                  (C) a description of the outcomes of  
21                  projects supported by grants made under the  
22                  program, including a description of—

23                          (i) facilities described in subsection  
24                          (a)(2) that were constructed, expanded, or

1           modernized as a result of grants made  
2           under the program;

3                   (ii) research and development carried  
4           out with grants made under the program;  
5           and

6                   (iii) workforce training programs car-  
7           ried out with grants made under the pro-  
8           gram, including efforts to hire individuals  
9           from disadvantaged populations; and

10           (2) submit to the appropriate committees of  
11       Congress the results of each review conducted under  
12       paragraph (1).

13 **SEC. 17\_ . DEPARTMENT OF COMMERCE STUDY ON STATUS**  
14                   **OF SEMICONDUCTORS TECHNOLOGIES IN**  
15                   **THE UNITED STATES INDUSTRIAL BASE.**

16       (a) IN GENERAL.—Commencing not later than 120  
17       days after the date of the enactment of this Act, the Sec-  
18       retary of Commerce and the Secretary of Homeland Secu-  
19       rity, in consultation with the Secretary of Defense and the  
20       heads of other appropriate Federal departments and agen-  
21       cies, shall undertake a review, which shall include a sur-  
22       vey, using authorities in section 705 of the Defense Pro-  
23       duction Act (50 U.S.C. 4555), to assess the capabilities  
24       of the United States industrial base to support the na-  
25       tional defense in light of the global nature of the supply

1 chain and significant interdependencies between the  
2 United States industrial base and the industrial base of  
3 foreign countries with respect to the manufacture, design,  
4 and end use of semiconductors.

5 (b) RESPONSE TO SURVEY.—The Secretary shall en-  
6 sure compliance with the survey from among all relevant  
7 potential respondents, including the following:

8 (1) Corporations, partnerships, associations, or  
9 any other organized groups domiciled and with sub-  
10 stantial operations in the United States.

11 (2) Corporations, partnerships, associations, or  
12 any other organized groups domiciled in the United  
13 States with operations outside the United States.

14 (3) Foreign domiciled corporations, partner-  
15 ships, associations, or any other organized groups  
16 with substantial operations or business presence in,  
17 or substantial revenues derived from, the United  
18 States.

19 (c) INFORMATION REQUESTED.—The information  
20 sought from a responding entity pursuant to the survey  
21 required by subsection (a) shall include, at minimum, in-  
22 formation on the following with respect to the manufac-  
23 ture, design, or end use of semiconductors by such entity:

24 (1) An identification of the geographic scope of  
25 operations.

1           (2) Information on relevant cost structures.

2           (3) An identification of types of semiconductors  
3 development, manufacture, assembly, test, and pack-  
4 aging equipment in operation at such entity.

5           (4) An identification of all relevant intellectual  
6 property, raw materials, and semi-finished goods and  
7 components sourced domestically and abroad by  
8 such entity.

9           (5) Specifications of the semiconductors manu-  
10 factured or designed by such entity, descriptions of  
11 the end-uses of such semiconductors, and a descrip-  
12 tion of any technical support provided to end-users  
13 of such semiconductors by such entity.

14           (6) Information on domestic and export market  
15 sales by such entity.

16           (7) Information on the financial performance,  
17 including income and expenditures, of such entity.

18           (8) A list of all foreign and domestic subsidies,  
19 and any other financial incentives, received by such  
20 entity in each market in which such entity operates.

21           (9) A list of regulatory or other informational  
22 requests about the entities' operations, sales, or  
23 other proprietary information by the Government of  
24 the People's Republic of China, entities under its di-  
25 rection or officials of the CCP, a description of the

1 nature of the request, and the type of information  
2 provided.

3 (10) Information on any joint ventures, tech-  
4 nology licensing agreements, and cooperative re-  
5 search or production arrangements of such entity.

6 (11) A description of efforts by such entity to  
7 evaluate and control supply chain risks it faces.

8 (12) A list and description of any sales, licens-  
9 ing agreements, or partnerships between such entity  
10 and the People's Liberation Army or People's Armed  
11 Police, including any business relationships with en-  
12 tities through which such sales, licensing agree-  
13 ments, or partnerships may occur.

14 (d) REPORT.—

15 (1) IN GENERAL.—The Secretary of Commerce  
16 shall, in consultation with the Secretary of Defense,  
17 the Secretary of Homeland Security, and the heads  
18 of other appropriate Federal departments and agen-  
19 cies, submit to Congress a report on the results of  
20 the review required by subsection (a). The report  
21 shall include the following:

22 (A) An assessment of the results of the  
23 survey.

24 (B) A list of critical technology areas im-  
25 pacted by potential disruptions in production of

1           semiconductors, and a detailed description and  
2           assessment of the impact of such potential dis-  
3           ruptions on such areas.

4           (C) A description and assessment of gaps  
5           and vulnerabilities in the semiconductors supply  
6           chain and the national industrial supply base.

7           (2) FORM.—The report required by paragraph  
8           (1) may be submitted appropriate committees of  
9           Congress in classified form.

10 **SEC. 17\_. FUNDING FOR DEVELOPMENT AND ADOPTION**  
11                           **OF SECURE SEMICONDUCTOR AND SECURE**  
12                           **SEMICONDUCTOR SUPPLY CHAINS.**

13           (a) MULTILATERAL SEMICONDUCTOR SECURITY  
14           FUND.—

15           (1) ESTABLISHMENT OF FUND.—There is es-  
16           tablished in the Treasury of the United States a  
17           trust fund, to be known as the “Multilateral Semi-  
18           conductor Security Fund” (in this section referred  
19           to as the “Fund”), consisting of amounts deposited  
20           into the Trust Fund under paragraph (2) and any  
21           amounts that may be credited to the Trust Fund  
22           under paragraph (3).

23           (2) INVESTMENT OF AMOUNTS.—

24           (A) INVESTMENT OF AMOUNTS.—The Sec-  
25           retary of the Treasury shall invest such portion

1 of the Fund as is not required to meet current  
2 withdrawals in interest-bearing obligations of  
3 the United States or in obligations guaranteed  
4 as to both principal and interest by the United  
5 States.

6 (B) INTEREST AND PROCEEDS.—The in-  
7 terest on, and the proceeds from the sale or re-  
8 demption of, any obligations held in the Fund  
9 shall be credited to and form a part of the  
10 Fund.

11 (3) PURPOSE.—The purpose of the Fund shall  
12 be to work with and support a variety of stake-  
13 holders, including governments, businesses, aca-  
14 demia, and civil society, and allies or partner nations  
15 who are members of the Fund and are critical to the  
16 global semiconductor supply chain in order to build  
17 safe and secure semiconductor supply chains outside  
18 of and devoid of entities from countries subject to a  
19 United States embargo. Considerations for building  
20 safe and secure semiconductor supply chains include,  
21 but are not limited to—

22 (A) relevant semiconductor designs;

23 (B) chemicals and materials relevant to the  
24 semiconductor industry;

25 (C) semiconductor design tools;

1 (D) semiconductor manufacturing equip-  
2 ment; and

3 (E) basic and applied semiconductor re-  
4 search capability.

5 (4) RESTRICTION OF USE OF FUNDS.—

6 (A) AVAILABILITY CONTINGENT ON INTER-  
7 NATIONAL AGREEMENT.—Amounts in the Fund  
8 shall be available to the Secretary of State on  
9 and after the date on which the Secretary en-  
10 ters into an agreement with at least 5 other  
11 governments of countries that are allies or part-  
12 ners of the United States that are critical to  
13 the global semiconductor supply chain to par-  
14 ticipate in the common funding mechanism  
15 under subsection (b)(1) and the commitments  
16 described in paragraph (2) of that subsection.

17 (B) LIMITATION.—At no point during fis-  
18 cal years 2021 through 2030 shall a United  
19 States contribution cause the cumulative total  
20 of United States contributions to exceed 33 per-  
21 cent of the total contributions to the Fund from  
22 all sources.

23 (C) NOTIFICATION.—The Secretary of  
24 State shall notify the appropriate congressional  
25 committees not later than 15 days in advance

1 of making a contribution to the Fund, includ-  
2 ing—

3 (i) the amount of the proposed con-  
4 tribution;

5 (ii) the total of funds contributed by  
6 other donors; and

7 (iii) the national interests served by  
8 United States participation in the Fund.

9 (D) WITHHOLDINGS.—

10 (i) SUPPORT FOR ACTS OF INTER-  
11 NATIONAL TERRORISM.—If at any time the  
12 Secretary of State determines that the  
13 Fund has provided assistance to a country,  
14 the government of which the Secretary of  
15 State has determined, for purposes of sec-  
16 tion 620A of the Foreign Assistance Act of  
17 1961 (22 U.S.C. 2371) has repeatedly pro-  
18 vided support for acts of international ter-  
19 rorism, the United States shall imme-  
20 diately withhold contributions to the Fund  
21 and cease participating in Fund activities.

22 (ii) SUPPORT FOR EMBARGOED COUN-  
23 TRIES.—If at any time the Secretary of  
24 State determines that the Fund, or any in-  
25 vestments made by the fund, has sup-

1 ported the semiconductor supply chain of  
2 or an entity with a substantial nexus to the  
3 semiconductor supply chain of a country  
4 under a United State embargo, the United  
5 States shall immediately withhold contribu-  
6 tions and no longer make any contribu-  
7 tions until it certifies that non-market  
8 economies do not stand to benefit from in-  
9 vestments made from the Fund.

10 (iii) EXCESSIVE SALARIES.—If at any  
11 time during any of the fiscal years 2021  
12 through 2025, the Secretary of State de-  
13 termines that the salary of any individual  
14 employed by the Fund exceeds the salary  
15 of the Vice President of the United States  
16 for that fiscal year, then the United States  
17 should withhold from its contribution for  
18 the next fiscal year an amount equal to the  
19 aggregate amount by which the salary of  
20 each such individual exceeds the salary of  
21 the Vice President of the United States.

22 (4) ENSURING PERMANENT MEMBER STATUS.—

23 If at any time the Secretary of State certifies that  
24 the United States does not have a permanent rep-  
25 resentative to the Board of Trustees as established

1 in paragraph (6), the Secretary shall withhold con-  
2 tributions to the Fund until the Secretary certifies  
3 that the United States is given a permanent seat.

4 (5) COMPOSITION.—

5 (A) IN GENERAL.—The Fund should be  
6 governed by a Board of Trustees, to be com-  
7 posed of representatives of participating allies  
8 and partners that are donors or participants in  
9 the Fund. The Board of Trustees should in-  
10 clude—

11 (i) 5 permanent member countries,  
12 who qualify based upon meeting an estab-  
13 lished initial contribution threshold, whose  
14 contributions should cumulatively be not  
15 less than 50 percent of total contributions,  
16 and who should hold veto power over pro-  
17 grams and projects; and

18 (ii) 5 term members, as appropriate,  
19 who are selected by the permanent mem-  
20 bers on the basis of their commitment to  
21 building a free secure semiconductor sup-  
22 ply chain.

23 (B) QUALIFICATIONS.—Individuals ap-  
24 pointed to the Board shall have demonstrated  
25 knowledge and experience in the fields of semi-

1 conductors, semiconductor manufacturing, and  
2 supply chain management.

3 (C) UNITED STATES REPRESENTATION.—

4 (i) IN GENERAL.—

5 (I) FOUNDING PERMANENT MEM-  
6 BER.—The Secretary of State shall  
7 seek to establish the United States as  
8 a founding permanent member of the  
9 Fund.

10 (II) COORDINATOR OF UNITED  
11 STATES GOVERNMENT ACTIVITIES TO  
12 ADVANCE SEMICONDUCTOR SUPPLY  
13 CHAIN SECURITY.—The Secretary of  
14 State shall appoint an individual  
15 qualified as according to subpara-  
16 graph (B) of this subsection to rep-  
17 resent the United States on the Board  
18 of Trustees.

19 (ii) EFFECTIVE AND TERMINATION  
20 DATES.—

21 (I) EFFECTIVE DATE.—This  
22 paragraph shall take effect upon the  
23 date the Secretary of State, in coordi-  
24 nation with the Secretary of the  
25 Treasury, certifies and transmits to

1 Congress an agreement establishing  
2 the Fund.

3 (II) TERMINATION DATE.—The  
4 membership established pursuant to  
5 clause (i) shall terminate upon the  
6 date of termination of the Fund.

7 (D) REMOVAL PROCEDURES.—The Fund  
8 shall establish procedures for the removal of  
9 member donors of the Board who do not abide  
10 by the Fund’s core objectives as defined in  
11 paragraph (4) of this section.

12 (6) AVAILABILITY OF AMOUNTS.—

13 (A) IN GENERAL.—Amounts in the Fund  
14 shall remain available through the end of the  
15 10th fiscal year beginning after the date of the  
16 enactment of this Act.

17 (B) REMAINDER TO TREASURY.—Any  
18 amounts remaining in the Fund after the end  
19 of the fiscal year described in subparagraph (A)  
20 shall be deposited in the general fund of the  
21 Treasury.

22 (b) COMMON FUNDING MECHANISM FOR DEVELOP-  
23 MENT AND ADOPTION OF SECURE SEMICONDUCTOR AND  
24 SECURE SEMICONDUCTOR SUPPLY CHAINS.—

1           (1) IN GENERAL.—The Secretary of State, in  
2           consultation with the Secretary of Commerce, Sec-  
3           retary of Energy, the Secretary of Defense, the Sec-  
4           retary of Homeland Security, the Secretary of the  
5           Treasury, and the Director of National Intelligence,  
6           shall seek to establish a common funding mecha-  
7           nism, in coordination with the governments of coun-  
8           tries that are Members of the Fund, that uses  
9           amounts from the Fund, and amounts committed by  
10          such governments, to support those efforts described  
11          in subsection (a)(4).

12          (2) MUTUAL COMMITMENTS.—The Secretary of  
13          State, in consultation with the United States Trade  
14          Representative, the Secretary of Treasury, and the  
15          Secretary of Commerce, shall seek to negotiate a set  
16          of mutual commitments with the governments of  
17          countries that are Members of the Fund upon which  
18          to condition any expenditure of funds pursuant to  
19          the common funding mechanism described in para-  
20          graph (1). Such commitments shall, at a min-  
21          imum—

22                (A) develop common policies for the protec-  
23                tion of basic and applied research in both aca-  
24                demic and commercial settings;

1 (B) develop common reporting require-  
2 ments for researchers participating in talents  
3 programs of countries subject to a United  
4 States arms embargo;

5 (C) establish substantially similar if not  
6 identical export controls licensing requirements  
7 for all segments of the semiconductor supply  
8 chain;

9 (D) establish substantially similar if not  
10 identical policies for inbound investment from  
11 entities with a substantial nexus to countries  
12 subject to an embargo in all segments of the  
13 semiconductor supply chain;

14 (E) establish harmonized treatment of  
15 semiconductors and verification processes for  
16 the importation of semiconductors or items in-  
17 corporating semiconductors from embargoed  
18 countries;

19 (F) establish common policies on pro-  
20 tecting knowledge, know-how, and personnel  
21 from migrating to embargoed countries or tak-  
22 ing employment with entities with a substantial  
23 nexus to these countries;

24 (G) develop common policies, including dis-  
25 closure requirements and restrictions, on out-

1 bound investments, including index funds, into  
2 entities that support or contribute to the devel-  
3 opment of the semiconductor industry in coun-  
4 tries subject to an embargo;

5 (H) establish transparency requirements  
6 for any subsidies or other financial benefits (in-  
7 cluding revenue foregone) provided to semicon-  
8 ductor firms located in or outside such coun-  
9 tries;

10 (I) establish consistent policies with re-  
11 spect to countries that—

12 (i) are not participating in the com-  
13 mon funding mechanism; and

14 (ii) do not meet transparency require-  
15 ments established under subparagraph  
16 (H);

17 (J) promote harmonized treatment of  
18 semiconductor and verification processes for  
19 items being exported to a country considered a  
20 national security risk by a country participating  
21 in the common funding mechanism;

22 (K) establish a consistent policies and com-  
23 mon external policies to address nonmarket  
24 economies as the behavior of such countries  
25 pertains to semiconductor; and

1 (L) align policies on supply chain integrity  
2 and semiconductor security.

3 (3) ANNUAL REPORT TO CONGRESS.—Not later  
4 than one year after the date of the enactment of this  
5 Act, and annually thereafter for each fiscal year dur-  
6 ing which amounts in the Fund are available under  
7 subsection (a)(3), the Secretary of State shall sub-  
8 mit to Congress a report on the status of the imple-  
9 mentation of this section that includes a description  
10 of—

11 (A) any commitments made by the govern-  
12 ments of countries that are partners of the  
13 United States to providing funding for the com-  
14 mon funding mechanism described in subsection  
15 (b)(1) and the specific amount so committed;

16 (B) the criteria established for expenditure  
17 of funds through the common funding mecha-  
18 nism;

19 (C) how, and to whom, amounts have been  
20 expended from the Fund;

21 (D) amounts remaining in the Fund;

22 (E) the progress of the Secretary of State  
23 toward entering into an agreement with the  
24 governments of countries that are partners of  
25 the United States to participate in the common

1 funding mechanism and the commitments de-  
2 scribed in subsection (b)(2); and

3 (F) any additional authorities needed to  
4 enhance the effectiveness of the Fund in achiev-  
5 ing the security goals of the United States.

6 (4) GAO REPORT ON TRUST FUND EFFECTIVE-  
7 NESS.—Not later than 2 years after the date that  
8 the Fund is formally established, the Comptroller  
9 General of the United States shall submit to the ap-  
10 propriate congressional committees a report evalu-  
11 ating the effectiveness of the Fund, including—

12 (A) the effectiveness of the programs,  
13 projects, and activities supported by the Fund;  
14 and

15 (B) an assessment of the merits of contin-  
16 ued United States participation in the Fund.

17 **SEC. 17\_. ADVANCED SEMICONDUCTOR RESEARCH AND**  
18 **DESIGN.**

19 (a) APPROPRIATE COMMITTEES OF CONGRESS.—In  
20 this section, the term “appropriate committees of Con-  
21 gress” means—

22 (1) the Committee on Intelligence, the Com-  
23 mittee on Commerce, Science, and Transportation,  
24 the Committee on Foreign Relations, the Committee  
25 on Armed Services, the Committee on Energy and

1 Natural Resources, the Committee on Appropria-  
2 tions, the Committee on Banking, Housing, and  
3 Urban Affairs, the Committee on Health, Education,  
4 Labor, and Pensions and the Committee on Home-  
5 land Security and Governmental Affairs of the Sen-  
6 ate; and

7 (2) the Permanent Select Committee on Intel-  
8 ligence, the Committee on Energy and Commerce,  
9 the Committee on Foreign Affairs, the Committee  
10 on Armed Services, the Committee on Science,  
11 Space, and Technology, the Committee on Financial  
12 Services, the Committee on Education and Labor  
13 and the Committee on Homeland Security of the  
14 House of Representatives.

15 (b) SENSE OF CONGRESS.—It is the sense of Con-  
16 gress that the leadership of the United States in semicon-  
17 ductor technology and innovation is critical to the eco-  
18 nomic growth and national security of the United States.

19 (c) SUBCOMMITTEE ON SEMICONDUCTOR LEADER-  
20 SHIP.—

21 (1) ESTABLISHMENT REQUIRED.—The Presi-  
22 dent shall establish in the National Science and  
23 Technology Council a subcommittee on matters re-  
24 lating to leadership of the United States in semicon-  
25 ductor technology and innovation.

1           (2) DUTIES.—The duties of the subcommittee  
2 established under paragraph (1) are as follows:

3           (A) NATIONAL STRATEGY ON SEMICON-  
4 DUCTOR RESEARCH.—

5           (i) DEVELOPMENT.—In coordination  
6 with the Secretary of Defense, the Sec-  
7 retary of Energy, the Secretary of State,  
8 the Secretary of Commerce, the Secretary  
9 of Homeland Security, the Secretary of  
10 Labor, the Director of the National  
11 Science Foundation, and the Director of  
12 the National Institute of Standards and  
13 Technology and in consultation with the  
14 semiconductor industry and academia, de-  
15 velop a national strategy on semiconductor  
16 research, development, manufacturing, and  
17 supply chain security, including guidance  
18 for the funding of research, and strength-  
19 ening of the domestic semiconductors  
20 workforce.

21           (ii) REPORTING AND UPDATES.—Not  
22 less frequently than once every 5 years, to  
23 update the strategy developed under clause  
24 (i) and to submit the revised strategy to  
25 the appropriate committees of Congress.

1 (iii) IMPLEMENTATION.—In coordina-  
2 tion with the Secretary of Defense, the  
3 Secretary of Energy, the Secretary of  
4 State, the Secretary of Commerce, the Sec-  
5 retary of Homeland Security, the Director  
6 of the National Science Foundation, and  
7 the Director of the National Institute of  
8 Standards and Technology, on an annual  
9 basis coordinate and recommend each  
10 agency’s semiconductor related research  
11 and development programs and budgets to  
12 ensure consistency with the National Semi-  
13 conductor Strategy.

14 (B) FOSTERING COORDINATION OF RE-  
15 SEARCH AND DEVELOPMENT.—To foster the co-  
16 ordination of semiconductor research and devel-  
17 opment.

18 (3) SUNSET.—The subcommittee established  
19 under paragraph (1) shall terminate on the date  
20 that is 10 years after the date of enactment of this  
21 Act.

22 (d) INDUSTRIAL ADVISORY COMMITTEE.—The Presi-  
23 dent shall establish a standing subcommittee of the Presi-  
24 dent’s Council of Advisors on Science and Technology to

1 advise the United States Government on matters relating  
2 to semiconductors policy.

3 (e) NATIONAL SEMICONDUCTOR TECHNOLOGY CEN-  
4 TER.—

5 (1) ESTABLISHMENT.—The Secretary of Com-  
6 merce shall establish a national semiconductor tech-  
7 nology center to conduct research and prototyping of  
8 advanced semiconductor technology to strengthen  
9 the economic competitiveness and security of the do-  
10 mestic supply chain, which will be operated as a  
11 public private-sector consortium with participation  
12 from the private sector, the Department of Defense,  
13 the Department of Energy, the Department of  
14 Homeland Security, the National Science Founda-  
15 tion, and the National Institute of Standards and  
16 Technology.

17 (2) FUNCTIONS.—The functions of the center  
18 established under paragraph (1) shall be as follows:

19 (A) To conduct advanced semiconductor  
20 manufacturing, design research, and proto-  
21 typing that strengthens the entire domestic eco-  
22 system and is aligned with the National Strat-  
23 egy on Semiconductor Research.

24 (B) To establish a National Advanced  
25 Packaging Manufacturing Program led by the

1 National Institute of Standards and Tech-  
2 nology, in coordination with the Center, to  
3 strengthen semiconductor advanced test, assem-  
4 bly, and packaging capability in the domestic  
5 ecosystem, and which shall coordinate with the  
6 Manufacturing USA institute established under  
7 paragraph (4).

8 (C) To establish an investment fund, in  
9 partnership with the private sector, to support  
10 startups in the domestic semiconductor eco-  
11 system.

12 (D) To establish a Semiconductor Manu-  
13 facturing Program through the Director of the  
14 National Institute of Standards and Technology  
15 to enable advances and breakthroughs in meas-  
16 urement science, standards, material character-  
17 ization, instrumentation, testing, and manufac-  
18 turing capabilities that will accelerate the un-  
19 derlying research and development for metrol-  
20 ogy of next generation semiconductors and en-  
21 sure the competitiveness and leadership of the  
22 United States within this sector.

23 (E) To work with the Secretary of Labor,  
24 the private sector, educational institutions, and  
25 workforce training entities to develop workforce

1 training programs and apprenticeships in ad-  
2 vanced semiconductor packaging capabilities.

3 (3) COMPONENTS.—The fund established under  
4 paragraph (2)(C) shall cover the following:

5 (A) Advanced metrology and characteriza-  
6 tion for manufacturing of microchips using 3  
7 nanometer transistor processes or more ad-  
8 vanced processes.

9 (B) Metrology for security and supply  
10 chain verification.

11 (4) CREATION OF A MANUFACTURING USA IN-  
12 STITUTE.—The fund established under paragraph  
13 (2)(C) may also cover the creation of a Manufac-  
14 turing USA institute described in section 34(d) of  
15 the National Institute of Standards and Technology  
16 Act (15 U.S.C. 278s(d)) that is focused on semicon-  
17 ductor manufacturing. Such institute may emphasize  
18 the following:

19 (A) Research to support the virtualization  
20 and automation of maintenance of semicon-  
21 ductor machinery.

22 (B) Development of new advanced test, as-  
23 sembly and packaging capabilities.

24 (C) Developing and deploying educational  
25 and skills training curricula needed to support

1           the industry sector and ensure the U.S. can  
2           build and maintain a trusted and predictable  
3           talent pipeline.

4           (f) AUTHORIZATIONS OF APPROPRIATIONS.—

5           (1) NATIONAL SEMICONDUCTOR TECHNOLOGY  
6           CENTER.—

7           (A) IN GENERAL.—There is authorized to  
8           be appropriated to carry out subsection (d),  
9           \$914,000,000 for fiscal year 2021—

10                   (i) of which, \$300,000,000 shall be  
11                   available to carry out subsection (d)(2)(A);

12                   (ii) of which, \$500,000,000 shall be  
13                   available to carry out subsection (d)(2)(B)

14                   (iii) of which, \$50,000,000 shall be  
15                   available to carry out subsection (d)(2)(C)

16                   (iv) of which, \$50,000,000 shall be  
17                   available to carry out subsection  
18                   (d)(2)(D)—

19                   (I) of which, \$2,000,000 shall be  
20                   available for each of fiscal year 2021  
21                   to carry out subsection (d)(3)(A);

22                   (II) of which, \$2,000,000 shall be  
23                   available for fiscal years 2021 o carry  
24                   out subsection (d)(3)(B); and

1 (III) of which, \$5,000,000 shall  
2 be available for fiscal year 2021 to  
3 carry out subsection (d)(4); and

4 (v) of which, \$14,000,000 shall be  
5 available to carry out subsection (d)(2)(E).

6 (3) SEMICONDUCTOR RESEARCH AT NATIONAL  
7 SCIENCE FOUNDATION.—There is authorized to be  
8 appropriated to carry out programs at the National  
9 Science Foundation on semiconductor research in  
10 alignment with the National Strategy on Semicon-  
11 ductor Research, \$300,000,000 for fiscal year 2021.

12 (5) SEMICONDUCTORS RESEARCH AT THE NA-  
13 TIONAL INSTITUTE OF STANDARDS AND TECH-  
14 NOLOGY.—There is authorized to be appropriated to  
15 carry out semiconductors research at the National  
16 Institute of Standards and Technology \$50,000,000  
17 for fiscal year 2021.

18 (g) SUPPLEMENT, NOT SUPPLANT.—The amounts  
19 authorized to be appropriated under paragraphs (1)  
20 through (4) shall supplement and not supplant amounts  
21 already appropriated to carry out the purposes described  
22 in such paragraphs.

23 (h) DOMESTIC PRODUCTION REQUIREMENTS.—The  
24 head of any executive agency receiving funding under this  
25 section shall develop policies to require domestic produc-

1 tion, to the extent possible, for any intellectual property  
2 resulting from semiconductors research and development  
3 conducted as a result of these funds and domestic control  
4 requirements to protect any such intellectual property  
5 from foreign adversaries.

6 **SEC. 17\_\_ . PROHIBITION RELATING TO FOREIGN ENTITIES**  
7 **OF CONCERN.**

8 (a) DEFINITION.—

9 (1) In this subtitle, the term “foreign entity”  
10 means—

11 (A) any person—

12 (i) controlled by, or is subject to the  
13 jurisdiction or direction of a foreign gov-  
14 ernment;

15 (ii) who acts as an agent, representa-  
16 tive, is an employee of, or acts in any other  
17 capacity at the order, request, or under the  
18 direction or control, of a foreign govern-  
19 ment;

20 (iii) whose activities are directly or in-  
21 directly supervised, directed, controlled, fi-  
22 nanced, or subsidized in whole or in major-  
23 ity part by an interest as described in sub-  
24 paragraph (B) of this subsection;

1 (iv) who directly or indirectly through  
2 any contract, arrangement, understanding,  
3 relationship, or otherwise, owns 25 percent  
4 or more of the equity interests of an inter-  
5 est as described in subparagraph (B) of  
6 this subsection, or has significant responsi-  
7 bility to control, manage, or such an inter-  
8 est;

9 (v) who is a citizen or resident, wher-  
10 ever located, of a nation-state controlled by  
11 a foreign government; or

12 (B) Any organization, corporation, part-  
13 nership or association—

14 (i) organized under the laws of a na-  
15 tion-state controlled by a foreign govern-  
16 ment; or

17 (ii) wherever organized or doing busi-  
18 ness, that is owned or controlled by a for-  
19 eign government.

20 (2) In this subtitle, the term “foreign entity of  
21 concern” means any foreign entity (as defined by  
22 paragraph (1) of this section)—

23 (A) designated as a foreign terrorist orga-  
24 nization by the Secretary of State under section  
25 1189 of title 8;

1 (B) included on the list of specially des-  
2 ignated nationals and blocked persons main-  
3 tained by the Office of Foreign Assets Control  
4 of the Department of the Treasury; or

5 (C) alleged by the Attorney General to  
6 have been involved in activities for which a con-  
7 viction was obtained under any of the following  
8 statutes:

9 (i) Espionage Act (18 U.S.C. 792 et  
10 seq.).

11 (ii) Section 951 or 1030 of title 18.

12 (iii) Economic Espionage Act (18  
13 U.S.C. 1831 et seq.).

14 (iv) Arms Export Control Act (22  
15 U.S.C. 2778).

16 (v) Section 2274, 2275, 2276, 2277,  
17 2278, or 2284 of title 42.

18 (vi) Export Control Reform Act (50  
19 U.S.C. 4801 et seq.); or

20 (vii) International Economic Emer-  
21 gency Powers Act (50 U.S.C. 1701 et  
22 seq.).

23 (b) LIMITATION.—None of the funds appropriated  
24 pursuant to an authorization in this subtitle may be pro-

- 1 vided to a grantee that is determined to be a foreign entity
- 2 of concern (as defined by this subtitle).

